

2876.4114 RECORD-KEEPING REQUIREMENTS.

Subpart 1. **Books and records; investment advisers.** Every investment adviser registered or required to be registered under the Minnesota Securities Act, Minnesota Statutes, chapter 80A, shall make and keep true, accurate, and current the following books, ledgers, and records.

A. Those books and records required to be maintained and preserved in compliance with Rule 204-2 of the Investment Advisers Act of 1940, Code of Federal Regulations, title 17, section 275.204 -2, notwithstanding the fact that the investment adviser is not registered or required to be registered under the Investment Advisers Act of 1940.

B. A file containing a copy of all written communications received or sent regarding any litigation involving the investment adviser, and regarding any written customer or client complaint.

C. Written information about each investment advisory client that is the basis for making any recommendation or providing any investment advice to such client.

D. Written procedures to supervise the activities of employees and investment adviser representatives that are reasonably designed to achieve compliance with applicable securities laws and regulations.

E. A file containing a copy of each document (other than any notices of general dissemination) that was filed with or received from any state or federal agency or self-regulatory organization and that pertains to the registrant or its investment adviser representatives, including all applications, amendments, renewal filings, and correspondence.

F. For investment advisers who have custody, as that term is defined in part 2876.4116, subpart 3, item A, of client funds or securities, all records and evidence of compliance required by Rule 206(4)-2 under the Investment Advisers Act of 1940.

Subp. 2. **Out-of-state investment advisers.** Every investment adviser that has its principal place of business in a state other than this state shall be exempt from the requirements of this part, provided the investment adviser is registered in such state and is in compliance with the state's recordkeeping requirements.

Subp. 3. **Manner of preservation; investment advisers.** Every investment adviser subject to subpart 1 shall preserve the following records in the manner prescribed.

A. All books and records required to be made under the provisions of subpart 1, items A to F, inclusive (except for books and records required to be made under the provisions of paragraphs (a)(11) and (a)(16) of SEC Rule 204-2), shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end

of the fiscal year during which the last entry was made on record, the first two years in the principal office of the investment adviser.

B. Partnership articles and any amendments, articles of incorporation, charters, minute books, and stock certificate books of the investment adviser and of any predecessor, shall be maintained in the principal office of the investment adviser and preserved until at least three years after termination of the enterprise.

C. Books and records required to be made under the provisions of paragraphs (a)(11) and (a)(16) of SEC Rule 204-2 shall be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in the principal office of the investment adviser, from the end of the fiscal year during which the investment adviser last published or otherwise disseminated, directly or indirectly, the notice, circular, advertisement, newspaper article, investment letter, bulletin, or other communication including by electronic media.

D. Notwithstanding other record preservation requirements of this part, the following records or copies shall be required to be maintained at the business location of the investment adviser from which the customer or client is being provided or has been provided with investment advisory services:

(1) records required to be preserved under paragraphs (a)(3), (a)(7) to (10), (a)(14) and (15), (a)(17), (b) and (c) inclusive, of SEC Rule 204-2; and

(2) the records or copies required under the provision of paragraphs (a)(11) and (a)(16) of SEC Rule 204-2 which records or related records identify the name of the investment adviser representative providing investment advice from that business location, or which identify the business locations' physical address, mailing address, electronic mailing address, or telephone number. The records will be maintained for the period described in this subpart.

Subp. 4. **Books and records; broker-dealers.** Every broker-dealer registered or required to be registered under the Minnesota Securities Act, Minnesota Statutes, chapter 80A, shall make and keep current its books and records in compliance with Code of Federal Regulations, title 17, sections 240.17a-3 and 240.17a-4.

Statutory Authority: *MS s 45.023; 80A.82*

History: *34 SR 593*

Published Electronically: *September 18, 2013*